

JUL 28 2006

FEDERAL ELECTION
COMMISSION
SECRETARIAT

2006 JUL 31 A 9:14

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Nethercutt for Senate and)

Catherine Gernes, in her official capacity as)
treasurer)

MUR 5740

GENERAL COUNSEL'S REPORT # 2

I. ACTIONS RECOMMENDED: Accept the attached conciliation agreement with Nethercutt for Senate and Catherine Gernes, in her official capacity as treasurer, and close the file.

II. BACKGROUND

This matter was generated by a referral from the Reports Analysis Division ("RAD") regarding the failure of Nethercutt for Senate and Catherine Gernes, in her official capacity as treasurer (the "Committee"), to disclose approximately \$369,000 in disbursements in its July 2004 Quarterly Report. On May 2, 2006, the Commission found reason to believe the Committee violated 2 U.S.C. § 434(b)

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7 **III. DISCUSSION**

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MUR 5740 (Nethercutt for Senate)
General Counsel's Report # 2

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Based on the foregoing, this Office recommends that the Commission accept the attached
signed conciliation agreement submitted by the Committee and close the file in this matter.

IV. RECOMMENDATIONS

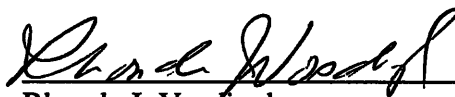
1. Accept the attached Conciliation Agreement with Nethercutt for Senate and Catherine Gernes, in her official capacity as treasurer;
2. Close the file; and
3. Approve the appropriate letter.

Lawrence H. Norton
General Counsel

Date

7/28/06

BY:



Rhonda J. Vosdingh.
Associate General Counsel
for Enforcement



Kathleen Guith
Acting Assistant General Counsel



Beth N. Mizuno
Attorney

Attachment:
Conciliation Agreement